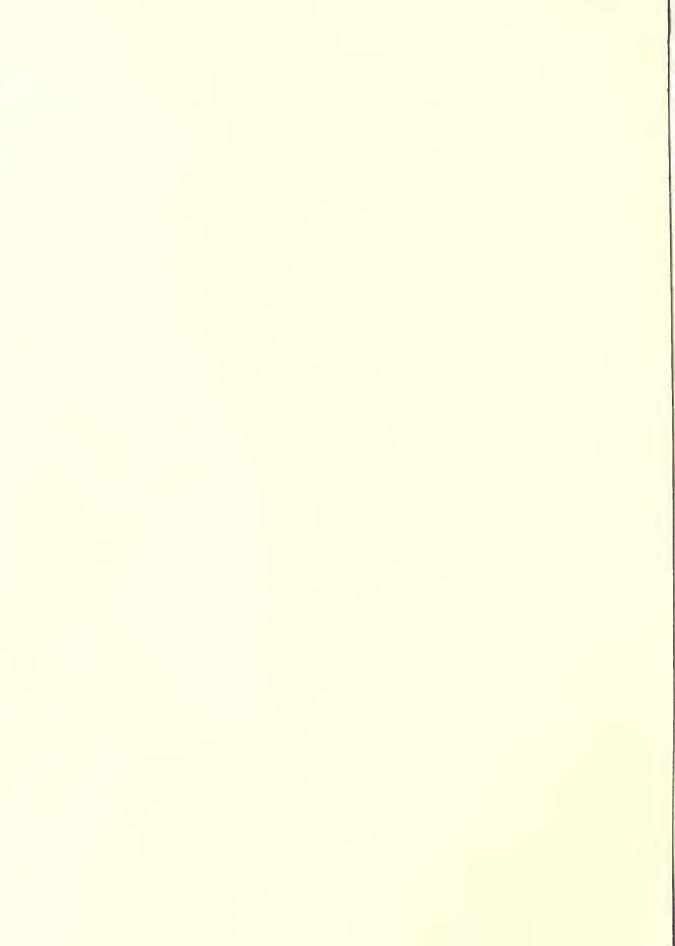
## **Historic, Archive Document**

Do not assume content reflects current scientific knowledge, policies, or practices.



A 87F3

Letter No. 2223

August 1, 1985

EUROPEAN COMMUNITY EXPORTS

The European Community has announced a special corn export program for 150,000 tons of French corn to Spain, Portugal, Switzerland and Austria for shipment during Aug.-Oct. 1985, according to the U.S. Department of Agriculture. The export supplies will apparently come from an estimated surplus of 600,000 tons of corn in southwestern France. Initial reports indicate nearly all the corn will be exported to Spain. A subsidy will be necessary to bridge the gap between internal French and world corn prices. Both Spain and Portugal have largely relied on U.S. corn imports. By joining the EC, an erosion of the U.S. market position may occur in both countries over the coming years.

ACCORDING TO PRAVDA

The USSR mid-year plan fulfillment report, published July 27 in Pravda, states that according to preliminary data, 119.4 million hectares (300 million acres) were seeded to all grains and pulses for harvest which has just begun. According to the U.S. Department of Agriculture, no preliminary total grain area figures were released in 1984, but the final figure was 119.6 million hectares, which would indicate the grain area this year will be the smallest since 1971, when it was 117.9 million hectares. The new plan fulfillment report states that the areas seeded to rye and millet increased over 1984, as did those for cotton and feed roots.

HIGHLIGHTS OF GRAIN EXPORTS

Here are some highlights of the U.S. Department of Agriculture's grain export report for the past month. U.S. grain export prices fell about \$5 per ton over the past month, and about \$19 per ton from this time a year ago. Australia sold 13,000 tons of milling wheat to Korea. China purchased 451,000 tons of U.S. wheat. Argentina and Brazil have initialed a wheat supply agreement for 1.375 million tons. U.S. and/or Canadian wheat exports to Brazil will drop as a result. Argentina and the Soviet are negotiating a new grain agreement. Liberia, a steady market for U.S. rice, has approached Thailand about purchasing 70,000 tons of that commodity.

LIVESTOCK AND POULTRY SUPPLIES Combined red meat and poultry supplies will remain record large in 1985 because of continued inventory reductions in the beef and pork sector, according to the U.S. Department of Agriculture. Poor returns and the need to germinate additional cash by selling young female stock are the primary reasons for the reductions.

SUGAR LOAN Sugar processor with 1984-crop sugar loans that mature July 31 or Aug. 31 may request an extension of their loan maturity date to Sept. 30, according to Sec'y of Agriculture <u>John Block</u>. Processors who wish to extend loan maturity dates should contact the Agricultural Stabilization and Conservation Service Office where the loan was made.

U.S. WHEAT EXPORT FORECAST

As of mid-July, the U.S. wheat export estimate for June-May 1984/85 was raised to 38.8 million tons, reflecting revisions based on available end-of-year census data, according to the U.S. Department of Agriculture. The export forecast for 1985/86 remains unchanged at 32.7 million tons. Sizeable U.S. wheat purchases by Latin and South American importers of nearly 365,000 tons were the month's highlights for U.S. exporters. Japan was again a regular buyer of U.S. wheat, as well as wheat from Canada and Australia. France sold 180,000 tons of soft wheat to Morroco.

CATTLE & CALVES INVENTORY

The inventory of cattle and calves on July 1 was the lowest for this date since the U.S. Department of Agriculture started reporting the inventories in 1973. Beef cow numbers were the lowest and down 7 pct. from a year ago. Replacement beef heifers declined 11 pct. from a year earlier. The 1985 calf crop is expected to decline 3 pct. from a year ago, and could be the smallest since 1961. The smaller cow herd and reduced number of replacement heifers ensure continued herd declines through at least 1986. (For more information, call John Nalivka at 202-447-8636.)

HOGS & PIGS INVENTORY

The U.S. inventory of all hogs and pigs was estimated at 52.1 million head on June 1, down 1 pct. from a year ago and the lowest June 1 inventory since 1975, according to the U.S. Department of Agriculture. The breeding herd inventory was the lowest for this date since the USDA inventories began in 1964. Producers as of June 1 indicated intentions to have 4 pct. fewer sows farrow during June-Nov. than a year earlier. Despite likely record numbers of pigs saved per litter, pork production is expected to remain below year-earlier levels through next spring. (For more information, call Leland Southard at 202-447-8636.)

MEAT PRICES

Prices for Choice beef and pork at retail declined from the first quarter to the second, according to the U.S. Department of Agriculture. Beef prices averaged \$2.37 in first-half 1985, down from \$2.42 a year earlier. Retail pork prices averaged slightly higher during the first-half of 1985, compared with 1984. Broiler prices averaged 76-cents a pound, down from 84-cents in the first half of 1984. Even lower retail prices may be necessary to move the record meat supplies expected in the second half of 1985. (For more information, call Karen Parham at 202-447-8636.)

BROILERS AND TURKEY OUTLOOK Favorable broiler and turkey prices relative to red meat and lower feed costs have enabled poultry producers to continue expanding while selling at prices below a year ago, according to the U.S. Department of Agriculture. Net returns have declined but prospects for continued low feed costs and reducted red meat supplies may encourage expansion.

FROM OUR
TELEVISION
SERVICE

THE AFRICANIZED HONEY BEE...Dick Cowden, Animal and Plant Health Inspection Service, focuses on steps being taken to eradicate a colony of African honey bees recently discovered in California. DeBoria Janifer interview.

PROPER CULLING OF COWS...Doug Parret, animal scientist, University of Illinois, describes why proper culling of cows is one crucial management technique for reducing potential losses and increasing profits. Gary Beaumont interviews.

MARKET FOR U.S. EXPORTS... Theodore Horoscha, USDA agricultural trade officer from Manama, Bahrain, talks about the Arabian peninsula and why it's an important market for U.S. food products. DeBoria Janifer interviews.

EROSION OF NATURAL LANDS - I... Ernest Todd, USDA's Soil Conservation Service, describes the importance of farmer participation in long-term conservation projects to reduce soil erosion. Vic Power interviews.

EROSION OF NATURAL LANDS - II...Joe Burt, a farmer from Pike Country, Alabama, and USDA assistant state conservationist Robert Thompson, talk about the land conversion program and its appeal to farmers who have serious erosion problems. Vic Power interviews.

FINANCIAL STATUS OF FARMS About 13 pct. of farmers reported financial stress as of Jan. 1, 1985, according to a survey of 1.7 million farms by the U.S. Department of Agriculture. Four-fifths of the farms were found to be relatively sound financially. More than half of the 214,000 farmers reporting financial stress have annual sales of at least \$40,000. An estimated 38,000 of the farms with at least \$40,000 in sales are technically insolvent...their debts exceed the value of their assets. Farms with more than \$40,000 in sales, while only 34 pct. of all farms, account for 90 pct. of all farm sales. Only 9 pct. of the smaller farms with annual farm sales less than \$40,000 were financially stressed.

PRICES PAID
BY FARMERS

The July Index of Prices Paid by Farmers for Commodities and Services, Interest, Taxes and Farm Wage Rates was 164 pct. of its 1977 average, according to the U.S. Department of Agriculture. The index was unchanged from last month and a year earlier. An increase in family living costs offset the decreases in the feeder livestock and feed indexes. (For more statistical information, call 202-447-5446.)

PRICES
RECEIVED
BY FARMERS

The July Index of Prices Received by Farmers for All Farm Products decreased 1 point (0.8 pct.) from June, to 127 pct. of its Jan.-Dec. 1977 average, according to the U.S. Department of Agriculture. Lower prices for cattle, oranges, wheat, potatoes and soybeans were partially offset by higher prices for lettuce, onions, hogs, apples and grapefruit. The index was 18 points (12 pct.) below a year ago. (For more statistical information, call 202-447-5446.)

OFF MIKE

Mike Hergert is available for a farm broadcasting position. At present he is with KCMT, Alexandria, MN, but the station has been sold and his position is to be eliminated later this month. If you would like to talk with Mike more, his number is 612-763-5166. (Incidentally, Mike told me that the next time anybody comments on my bald spot, tell them, "We all have the same number of hormones. If you want to wste yours growing hair, that's your business.") ... Gary Wulf (KZEN-FM, Central City, NB) writes to report the station is finally on the air (as of July 9th). He said they had a bit of trouble getting the antenna up the tower and speculated it was because there aren't many folks who want to climb "...a two thousand foot stick." (Here's one person, that's for sure.) ... We're reported in this column in the past on the turf research ability of this writer and have been chided for saying "modestly speaking." So, IMmodestly speaking, we are happy to report the latest USDA golf tournament championship came back to the Office of Information, Radio and Television Division ... Last week we reported on our summer intern Kathy Lonergan and her tangle with a purse snatcher. Seems the incident got picked up and reported on the wire service. Almost immediately, Kathy started getting telephone calls from friends and family in Iowa who had heard the story on radio.

FROM OUR RADIO SERVICE

AGRICULTURE USA #1470...(Weekly 13-1/2 min documentary) How do you get them down on the farm? is a question that today's farmers who have "pick-your-own" operations work on constantly. On this edition of Agriculture USA, Brenda Curtis talks to marketing specialist from the University of Tennessee Sue Cox as well as two farm operators about the latest in marketing techniques.

AGRITAPE/FARM PROGRAM REPORT #1459...(Weekly reel of news features) USDA news highlights; USDA reports on financial stress; USDA to push pesticide safety; August crop and weather forecast.

CONSUMER TIME #952...(Weekly reel of five 2½-3 min feature) Food price forecast; Textile labeling law changes; The antibiotic puzzle; Putting bees to work; New foods suit new tastes.

USDA RADIO NEWS SERVICE...Monday August 19th, Ag. Outlook report; Tuesday August 20th, Weekly weather and crop summary; Wednesday August 21st, Wheat outlook report; Thursday August 22nd, Economic Indicators of Farm Sector; Friday August 23rd, Fruit outlook report; Monday August 26th, South Asia outlook report. Dial the USDA National News Line 202-488-8358 or 8359. All material changed at 5 p.m. EDT each working day.

JAMES L. JOHNSON, Chief

Radio and Television Division